

Sean King

From: JOHN ZAGAME [jzagameny@msn.com]
Sent: Friday, May 15, 2009 12:30 PM
To: Sam Marchio
Subject: Taiwan
Attachments: NY Times article re warming ties between Taiwan and China.docx; Sample record statement acknowledging Taiwan President Ma's successes.docx; Draft letter to Taiwan President Ma.docx

2009 MAY 29 PM 1:13
CRM/ISS/REGISTRATION UNIT

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Sam --

Hope all goes well with you.

As you know, Park Strategies, LLC, and I are registered with the U.S. Department of Justice, under the Foreign Agents Registration Act, as agents on behalf of our client, the Taipei Economic and Cultural Representative Office in the United States.

We wanted to update you and Congressman Arcuri on some very positive developments regarding Taiwan, and ask for the Congressman's support and recognition of these developments.

First, Taiwan has made significant progress in its relations with mainland China, including accords on banking, insurance, and access to financial markets (see attached NY Times Article).

Second, the international community has recently recognized the importance of granting Taiwan observer status on the World Health Organization's Supreme Governing Body, thereby bringing Taiwan into the global health community.

In light of these agreements, I'm attaching:

- 1) A sample record statement in support of Taiwan's effort "to reach out to mainland Chinese leaders to cultivate an environment of reduced tension across the Taiwan Strait" and its "rapprochement with mainland China", and another draft statement specifically recognizing the value of Taiwan's participation in the World Health Organization.
- 2) A draft letter to Taiwan President Ma Ying-jeou recognizing the accomplishments of his first year in office and Taiwan's longstanding security alliance with the United States. The letter's original co-sponsors are the four co-Chairs of the House Taiwan Caucus, namely Reps. Robert Wexler (D-FL), Lincoln Diaz-Balart (R-FL), Phil Gingrey (R-GA), and Shelley Berkley (D-NV).

We're asking that Congressman Arcuri kindly consider making an insertion the Congressional Record, and/or co-signing the attached letter. Many thanks in advance for your consideration of this matter, and I look forward to speaking with you soon. In the meantime please feel free to contact me with any questions you may have.

Best wishes,

John Zagame

Park Strategies LLC

212 883 5608

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Dear President Ma,

Congratulations on completing your first year as President of the Republic of China (Taiwan).

We have been pleased to note several positive developments for Taiwan over the last year, including the World Health Organization's acceptance of Taiwan as an observer at the World Health Assembly. This is a significant step forward for Taiwan's international standing, and for the health of the people of the East-Asian and Pacific region.

We are also pleased to note the reduction of tensions in the region. We are pleased that Taiwan values stability in its neighborhood and has taken steps to reduce the likelihood of conflict in the coming years in order to preserve freedom in Taiwan.

Equally important, by requesting the acquisition of U.S. defensive systems, you have continued Taiwan's longstanding security alliance with the United States. As guaranteed by the Taiwan Relations Act - and confirmed by the U.S. House of Representatives by passage of H.Con.Res.55 on March 24, 2009 - the relationship between the United States and Taiwan is critical to the peace and prosperity of the region.

As you begin your second year in office, we look forward to continuing to work with you toward our common goal of a peaceful, prosperous and strong Taiwan.

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Mr. Chairman, I rise today to express my support of Taiwan President Ma Ying-jeou's policies, and in acknowledging his successes, since taking office on May 20th, 2008.

After winning the election on March 22nd, 2008, President Ma has used his public mandate to reach out to mainland Chinese leaders to cultivate an environment of reduced tension across the Taiwan Strait. A concrete result from this new approach is the realization of Taiwan's participation in the 62nd World Health Assembly (WHA). In an age when deadly infectious diseases – like the recent H1N1 Flu strain, or Severe Acute Respiratory Syndrome (SARS) in 2003 – can cross borders in seconds, Taiwan's observer status in WHA will surely benefit not only people in Taiwan, but also the whole world in its fight against deadly pandemics.

On the first anniversary of President Ma Ying-jeou's inauguration, I want to applaud him and further encourage Taiwan's rapprochement with mainland China, thereby bettering the health and lives of ordinary Taiwanese. The United States shall continue to stand by Taiwan, and while also pushing for its expanded international space.

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The New York Times

May 14, 2009

2009 MAY 29 PM 1:13

CRM/ISS/ADMINISTRATION

Exuberance in Taiwan as Ties With China Warm

By JONATHAN ADAMS

TAIPEI — The bulls are running hard in Taiwan as the island prepares to open its doors to mainland Chinese investment for the first time since breaking from Beijing in 1949.

After the two sides announced plans late last month to sign accords on banking, insurance and access to financial markets, mainland fever has set in on the island: its benchmark stock index, the Taixex, climbed 13 percent in the two weeks to Friday, and some analysts are predicting an additional gain of 25 percent to 50 percent by year-end. The Taiwan dollar has strengthened 2.5 percent.

Optimists see decades of bitter rivalry across the Taiwan Strait fading. The British bank Standard Chartered has dubbed the opening a “great leap across the strait,” and Goldman Sachs has called it a “paradigm shift.”

But others here are cautioning that the opening to mainland money could take longer than expected — and that in the near future at least, mainland investors will face a daunting maze of regulatory approvals and political concerns.

“People are overoptimistic,” said Norman Yin, a finance expert and informal economic adviser to Taiwan’s president. “They don’t understand that there are many constraints in the first stage. And in sensitive sectors, such as high-tech, military-related or mobile phones, there will be even more restrictions.”

Beijing officials have viewed Taiwan as a renegade province ever since the Nationalists retreated to the island when they lost the Chinese Civil War to the Communists 60 years ago. Though not formally independent, the island has had its own government, economy and currency. For most of this decade, Taiwan was led by a pro-independence government that increased some cross-strait ties, although not nearly as quickly or broadly as business interests and investors would have liked.

But since Ma Ying-jeou was inaugurated as president nearly a year ago, Taiwan has moved rapidly to forge closer commercial links with China to lift its sagging economy. In the past year, it signed deals with China on tourism, airline flights and shipping.

Investment, however, has remained a one-way street, flowing from the island to the mainland. Taiwan has invested \$150 billion in the mainland since the 1980s, according to one Taiwan government estimate. Mainland China has until now been barred from directly investing in Taiwan.

Now, analysts are heralding the long-term financial implications of Taiwan's opening to the mainland. The anticipation began on April 26, when officials from Taipei and Beijing met in the mainland city of Nanjing and signed a statement on financial cooperation.

Three days later, Taiwan said it would allow mainland investment in nearly 100 sectors. Taipei also said it would permit mainland investment in construction projects that are part of Mr. Ma's economic stimulus package. The same day, the first possible deal was announced. China Mobile, which has the most subscribers of any mobile phone carrier, said it had agreed to take a 12 percent stake in Far EasTone Telecommunications of Taiwan.

On May 1, China formally approved Taiwan-bound investment by qualified domestic institutional investors. Four days later, it announced a plan to step up development of a cross-strait economic zone in Fujian Province. Taiwanese auto, banking and other companies added to the euphoria by announcing investment tie-up plans with mainland companies.

The response to all this has been a stock market frenzy, especially by foreign institutional investors. JPMorgan Chase announced a target of 8,000 for the Taix by year-end (the Taix closed at 6,485 on Wednesday).

Goldman Sachs upgraded Taiwan shares in general to "overweight" this month. "The rapidity and scope of recent cross-strait initiatives," it said in a note, "are welcome signals that Taiwan may finally reap the economic benefits from a warmer relationship with China."

But many investors seem to have glossed over or willfully ignored the fact that many essential details remain unresolved or undisclosed. For one, the details of which specific sectors will be open to mainland money have not been completed. Taiwan will most likely allow mainland investment in 98 industries during the first phase, including automobiles, textiles, rubber and retailing, with detailed rules probably coming at month-end, the Taiwan minister of economic

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Then, the two sides will have to sign a memorandum of understanding, probably in June or July for stock investments, as well as separate agreements for banking and insurance.

“On the Taiwan side, the government is still keeping their cards close to their chest,” said Tony Phoo, an economist with Standard Chartered. “We still don’t have details on everything we’re hearing and reading about, so there’s a lot of market speculation.”

Kevin Yang, chief investment officer at Paradigm Asset Management, added that for now, Beijing was capping Taiwan-bound investment at about 7.2 billion Taiwan dollars, or about \$219 million.

“That’s very little,” he said. “I think the market’s overreacting.”

Phil Chu of Grand Cathay Securities and other analysts say foreign investors are betting that Taiwan will be another Hong Kong, where the stock market boomed following its opening to mainland investment. “I think it’s possible Taiwan’s stock market could double by 2012,” Mr. Chu said. “But it won’t go up as much as Hong Kong’s did.”

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Investors in Taiwan’s market have been burned before on inflated mainland hopes. Last year, for example, the market rocketed in the two months before Mr. Ma’s inauguration, only to plunge steadily afterward as the reality of the global downturn set in. Still, analysts insist that the long-term picture is bright.

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ON WORLD HEALTH ORGANIZATION'S SUPREME GOVERNING BODY

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CRM/ISS/REGISTRATION UNIT

The New York Times

May 14, 2009

2009 MAY 29 PM 1:14

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By JONATHAN ADAMS

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Sean King

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Sent: Friday, May 15, 2009 1:27 PM
To: Sean King
Subject: FW: Delivery Status Notification (Failure)
Attachments: NY Times article re warming ties between Taiwan and China.docx; Sample record statement acknowledging Taiwan President Ma's successes.docx; Taiwan Granted Observer Status on World Health Organization.docx; Draft letter to Taiwan President Ma.docx; details00000.txt; Taiwan

From: postmaster@mail.hotmail.com
To: jzagameny@msn.com
Date: Fri, 15 May 2009 10:06:16 -0700
Subject: Delivery Status Notification (Failure)

This is an automatically generated Delivery Status Notification.

Delivery to the following recipients failed.

sking@parkstrategies.com
ksiracuse@parkstrategies.com
cdamato@parkstrategies.com
eobrien@parkstrategies.com

--Forwarded Message Attachment--
From: jzagameny@msn.com
To: anne.lemay@mail.house.gov
Subject: Taiwan
Date: Fri, 15 May 2009 13:05:50 -0400

2009 MAY 29 PM 1:16
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“For eight years, Taiwan kept limits on exchanges and investments,” Mr. Chu said. “But since last year, Ma Ying-jeou has steadily adopted opening policies.”

Sean King

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Sent: Friday, May 15, 2009 1:45 PM
To: jason.steinbaum@mail.house.gov
Subject: Taiwan
Attachments: NY Times article re warming ties between Taiwan and China.docx; Sample record statement acknowledging Taiwan President Ma's successes.docx; Taiwan Granted Observer Status on World Health Organization.docx; Draft letter to Taiwan President Ma.docx

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Jason --

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Park Strategies LLC

212 883 5608

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On the first anniversary of President Ma Ying-jeou's inauguration, I want to applaud him and further encourage Taiwan's rapprochement with mainland China, thereby bettering the health and lives of ordinary Taiwanese. The United States shall continue to stand by Taiwan, and while also pushing for its expanded international space.

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The New York Times

May 14, 2009

Exuberance in Taiwan as Ties With China Warm

By JONATHAN ADAMS

TAIPEI — The bulls are running hard in Taiwan as the island prepares to open its doors to mainland Chinese investment for the first time since breaking from Beijing in 1949.

After the two sides announced plans late last month to sign accords on banking, insurance and access to financial markets, mainland fever has set in on the island: its benchmark stock index, the Taixex, climbed 13 percent in the two weeks to Friday, and some analysts are predicting an additional gain of 25 percent to 50 percent by year-end. The Taiwan dollar has strengthened 2.5 percent.

Optimists see decades of bitter rivalry across the Taiwan Strait fading. The British bank Standard Chartered has dubbed the opening a “great leap across the strait,” and Goldman Sachs has called it a “paradigm shift.”

But others here are cautioning that the opening to mainland money could take longer than expected — and that in the near future at least, mainland investors will face a daunting maze of regulatory approvals and political concerns.

“People are overoptimistic,” said Norman Yin, a finance expert and informal economic adviser to Taiwan’s president. “They don’t understand that there are many constraints in the first stage. And in sensitive sectors, such as high-tech, military-related or mobile phones, there will be even more restrictions.”

Beijing officials have viewed Taiwan as a renegade province ever since the Nationalists retreated to the island when they lost the Chinese Civil War to the Communists 60 years ago. Though not formally independent, the island has had its own government, economy and currency. For most of this decade, Taiwan was led by a pro-independence government that increased some cross-strait ties, although not nearly as quickly or broadly as business interests and investors would have liked.

But since Ma Ying-jeou was inaugurated as president nearly a year ago, Taiwan has moved rapidly to forge closer commercial links with China to lift its sagging economy. In the past year, it signed deals with China on tourism, airline flights and shipping.

Investment, however, has remained a one-way street, flowing from the island to the mainland. Taiwan has invested \$150 billion in the mainland since the 1980s, according to one Taiwan government estimate. Mainland China has until now been barred from directly investing in Taiwan.

Now, analysts are heralding the long-term financial implications of Taiwan's opening to the mainland. The anticipation began on April 26, when officials from Taipei and Beijing met in the mainland city of Nanjing and signed a statement on financial cooperation.

Three days later, Taiwan said it would allow mainland investment in nearly 100 sectors. Taipei also said it would permit mainland investment in construction projects that are part of Mr. Ma's economic stimulus package. The same day, the first possible deal was announced. China Mobile, which has the most subscribers of any mobile phone carrier, said it had agreed to take a 12 percent stake in Far EasTone Telecommunications of Taiwan.

On May 1, China formally approved Taiwan-bound investment by qualified domestic institutional investors. Four days later, it announced a plan to step up development of a cross-strait economic zone in Fujian Province. Taiwanese auto, banking and other companies added to the euphoria by announcing investment tie-up plans with mainland companies.

The response to all this has been a stock market frenzy, especially by foreign institutional investors. JPMorgan Chase announced a target of 8,000 for the Taiex by year-end (the Taiex closed at 6,485 on Wednesday).

Goldman Sachs upgraded Taiwan shares in general to "overweight" this month. "The rapidity and scope of recent cross-strait initiatives," it said in a note, "are welcome signals that Taiwan may finally reap the economic benefits from a warmer relationship with China."

But many investors seem to have glossed over or willfully ignored the fact that many essential details remain unresolved or undisclosed. For one, the details of which specific sectors will be open to mainland money have not been completed. Taiwan will most likely allow mainland investment in 98 industries during the first phase, including automobiles, textiles, rubber and retailing, with detailed rules probably coming at month-end, the Taiwan minister of economic

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MAY 2 11:18

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Then, the two sides will have to sign a memorandum of understanding, probably in June or July for stock investments, as well as separate agreements for banking and insurance.

“On the Taiwan side, the government is still keeping their cards close to their chest,” said Tony Phoo, an economist with Standard Chartered. “We still don’t have details on everything we’re hearing and reading about, so there’s a lot of market speculation.”

Kevin Yang, chief investment officer at Paradigm Asset Management, added that for now, Beijing was capping Taiwan-bound investment at about 7.2 billion Taiwan dollars, or about \$219 million.

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We are also pleased to note the reduction of tensions in the region. We are pleased that Taiwan values stability in its neighborhood and has taken steps to reduce the likelihood of conflict in the coming years in order to preserve freedom in Taiwan.

Equally important, by requesting the acquisition of U.S. defensive systems, you have continued Taiwan's longstanding security alliance with the United States. As guaranteed by the Taiwan Relations Act - and confirmed by the U.S. House of Representatives by passage of H.Con.Res.55 on March 24, 2009 - the relationship between the United States and Taiwan is critical to the peace and prosperity of the region.

As you begin your second year in office, we look forward to continuing to work with you toward our common goal of a peaceful, prosperous and strong Taiwan.

Sean King

From: JOHN ZAGAME [jzagameny@msn.com]
Sent: Friday, May 15, 2009 2:17 PM
To: Sean King
Subject: FW: Townes
Attachments: President Ma draft letter for Congressman Towns.docx

FYI

From: jzagameny@msn.com
To: miller.melvin25@yahoo.com
Subject: RE: Townes
Date: Fri, 15 May 2009 14:15:04 -0400

Just spoke to Towns AA, Lars Hydel. Told him you're calling too to ask Towns to sign a non-controversial letter (below & attached) congratulating Taiwan Pres. on successes in opening with China, WHO observer status, US alliance, etc.

=====

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Sincerely,

Date: Fri, 15 May 2009 11:04:25 -0700
From: miller.melvin25@yahoo.com

Subject: Townes

To: jzagameny@msn.com

I missed Townes. Will be in car Please email me the name and number of chief of staff. I left my file at home but can access on my computer when I get to the house. Thanks

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Cc: Mell Miller
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Lars --

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Republic of China (Taiwan)
c/o Ambassador Jason Yuan
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confirmed by the U.S. House of Representatives by passage of H.Con.Res.55 on March 24, 2009 - the relationship between the United States and Taiwan is critical to the peace and prosperity of the region.

As you begin your second year in office, we look forward to continuing to work with you toward our common goal of a peaceful, prosperous and strong Taiwan.

Sincerely,

President Ma Ying-jeou
Republic of China (Taiwan)
c/o Ambassador Jason Yuan
4210 Wisconsin Ave. NW
Washington, D.C. 20016

Dear President Ma,

Congratulations on completing your first year as President of the Republic of China (Taiwan).

We have been pleased to note several positive developments for Taiwan over the last year, including the World Health Organization's acceptance of Taiwan as an observer at the World Health Assembly. This is a significant step forward for Taiwan's international standing, and for the health of the people of the East-Asian and Pacific region.

We are also pleased to note the reduction of tensions in the region. We are pleased that Taiwan values stability in its neighborhood and has taken steps to reduce the likelihood of conflict in the coming years in order to preserve freedom in Taiwan.

Equally important, by requesting the acquisition of U.S. defensive systems, you have continued Taiwan's longstanding security alliance with the United States. As guaranteed by the Taiwan Relations Act - and confirmed by the U.S. House of Representatives by passage of H.Con.Res.55 on March 24, 2009 - the relationship between the United States and Taiwan is critical to the peace and prosperity of the region.

As you begin your second year in office, we look forward to continuing to work with you toward our common goal of a peaceful, prosperous and strong Taiwan.

Sincerely,

Sean King

From: JOHN ZAGAME [jzagameny@msn.com]
Sent: Friday, May 15, 2009 3:02 PM
To: Sam Marchio
Subject: RE: Taiwan

Hello again Sam --

Of course you were the first NY AA to respond to this request. No surprise there! You can go on the letter by calling **Jeremy Kadden 202-225-5965 in Congresswoman Shelley Berkley's office.**

Thanks so much & have a good weekend. Look forward to seeing you soon.

Regards

John Zagame
Park Strategies LLC

Subject: RE: Taiwan
Date: Fri, 15 May 2009 14:14:06 -0400
From: Sam.Marchio@mail.house.gov
To: jzagameny@msn.com

Hey John,

We'd be glad to sign the letter. Who do I need to contact about adding the Congressman?

Hope all is well.

-Sam

Samuel J. Marchio
Chief of Staff
U.S. Rep. Michael Arcuri (NY-24)
202-225-3665
202-225-1891 fax
To sign up for Congressman Arcuri's regular e-newsletter, click [here](#).

From: JOHN ZAGAME [mailto:jzagameny@msn.com]
Sent: Friday, May 15, 2009 12:30 PM
To: Marchio, Sam
Subject: Taiwan

This material is distributed by Park Strategies, LLC on behalf of the Taipei Economic and Cultural Representative Office in the United States. Additional information is available at the Department of Justice, Washington, D. C.

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Sam --

Hope all goes well with you.

As you know, Park Strategies, LLC, and I are registered with the U.S. Department of Justice, under the Foreign Agents Registration Act, as agents on behalf of our client, the Taipei Economic and Cultural Representative Office in the United States.

We wanted to update you and Congressman Arcuri on some very positive developments regarding Taiwan, and ask for the Congressman's support and recognition of these developments.

First, Taiwan has made significant progress in its relations with mainland China, including accords on banking, insurance, and access to financial markets (see attached NY Times Article).

Second, the international community has recently recognized the importance of granting Taiwan observer status on the World Health Organization's Supreme Governing Body, thereby bringing Taiwan into the global health community.

In light of these agreements, I'm attaching:

- 1) A sample record statement in support of Taiwan's effort "to reach out to mainland Chinese leaders to cultivate an environment of reduced tension across the Taiwan Strait" and its "rapprochement with mainland China", and another draft statement specifically recognizing the value of Taiwan's participation in the World Health Organization.
- 2) A draft letter to Taiwan President Ma Ying-jeou recognizing the accomplishments of his first year in office and Taiwan's longstanding security alliance with the United States. The letter's original co-sponsors are the four co-Chairs of the House Taiwan Caucus, namely Reps. Robert Wexler (D-FL), Lincoln Diaz-Balart (R-FL), Phil Gingrey (R-GA), and Shelley Berkley (D-NV).

We're asking that Congressman Arcuri kindly consider making an insertion the Congressional Record, and/or co-signing the attached letter. Many thanks in advance for your consideration of this matter, and I look forward to speaking with you soon. In the meantime please feel free to contact me with any questions you may have.

Best wishes,

John Zagame

Park Strategies LLC

212 883 5608

Sean King

From: JOHN ZAGAME [jzagameny@msn.com]
Sent: Friday, May 15, 2009 3:34 PM
To: Sam Marchio
Subject: RE: Taiwan

Thanks again Sam. JZ

Subject: RE: Taiwan
Date: Fri, 15 May 2009 15:31:47 -0400
From: Sam.Marchio@mail.house.gov
To: jzagameny@msn.com

Done and done – Arcuri has been added.

Samuel J. Marchio
Chief of Staff
U.S. Rep. Michael Arcuri (NY-24)
202-225-3665
202-225-1891 fax
To sign up for Congressman Arcuri's regular e-newsletter, click [here](#).

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